



5/13/04

MESSAGES FROM THE HOUSE

SB 863 (Hardiman)

SB 865 (BERNERO)

SB 867 (Van Woerkom)

SB 869 (Birkholz)

SB 872 (Patterson)

SB 875 (Gilbert)

START-UP BUSINESS INCENTIVE PACKAGE

This package is intended to eliminate the tax burden on high-tech and biotech companies for five years to encourage them to locate and grow in Michigan. The bills would allow local governments by resolution to grant that business and its employees the exemptions, deductions, and credits allowed under the Michigan Renaissance Zone Act for five consecutive years starting with the year the business first took the SBT or Income Tax credit. Treasury expects that these bills could cost anywhere from \$5 million to \$15 million each year, depending on how many local governments opt to grant these exemptions.

- The Senate concurred with the House changes to SB 863 [RC 283: 38 yes, 0 no]. Immediate Effect was given to the bill.
- The Senate concurred with the House changes to SB 865 [RC 284: 38 yes, 0 no]. Immediate Effect was given to the bill.
- The Senate concurred with the House changes to SB 867 [RC 285: 38 yes, 0 no]. Immediate Effect was given to the bill.
- The Senate concurred with the House changes to SB 869 [RC 280: 38 yes, 0 no]. Immediate Effect was given to the bill.
- The Senate concurred with the House changes to SB 872 [RC 286: 38 yes, 0 no]. Immediate Effect was given to the bill.
- The Senate concurred with the House changes to SB 875 [RC 287: 37 yes, 0 no]. Immediate Effect was given to the bill.

SB 1023 (PRUSI)

SB 1024 (McManus)

SB 1023 would establish four pilot project areas no later than December 31, 2006 to “demonstrate cost savings techniques and improved efficiency in forest treatment techniques while improving the overall health of the forest”.

- The Senate concurred with the House changes to SB 1023 [RC 281: 23 yes, 15 no]. Immediate Effect was given to the bill.

SB 1024 would expand the membership of the MI Forest Finance Authority from five members to nine and changes the makeup from simply “residents of the state” to specifying each part of the industry.

- The Senate concurred with the House changes to SB 1024 [RC 282: 25 yes, 13 no]. Immediate Effect was given to the bill.

FINAL PASSAGE

SB 677 (Jelinek)

SB 677 would exempt used modular classrooms from fire and safety requirements under the School Construction Act. The substitute adopted in committee allows the Department of Labor and Economic Growth to promulgate rules regarding guidelines for the use of these classrooms.

- SB 677 passed [RC 295: 37 yes, 0 no].

HB 4244 (MINORE)

HB 4244 would provide that if a retiree or deceased member of the Michigan Public School Employees Retirement System (MPERS) is a legal guardian of an unmarried child, that child would be included as a dependant for purposes of health insurance. The child would have to meet the same criteria as those currently covered under the act with regard to age or mental or physical disability.

- HB 4244 passed with IE [RC 296: 37 yes, 0 no].

HB 5241 (Koetje)

HB 5241 would grandfather Kent County’s current hotel-motel tax. The tax is limited to counties with less than 600,000 people. Kent County currently fits that requirement, but will exceed the population threshold during a 30-year bond for the construction of “DeVos Place” which will be paid in 2032.

- HB 5241 passed with IE [RC 294: 35 yes, 1 no (Sanborn)].

HB 5331 (Wenke)

HB 5335 (Stakoe)

HB 5341 (Milosch)

HB 5342 (Steil)

HB 5343 (Steil)

HB 5345 (Farhat)

HB 5331 would allow a qualified start-up business that meets certain criteria and does not have business income for 2 consecutive tax years to claim a single business tax credit for the second of those 2 consecutive tax years and each immediately following tax year in which the business does not have business income equal to the taxpayer’s tax liability for a total of 5 years.. The bill would reduce single business tax revenue by an estimated \$1 million on an annual basis.

Support: Small Business Association of Michigan, National Federation of Independent Business.

- **HB 5331 passed with IE [RC 288: 37 yes, 0 no].**

HB 5335 would exempt a new facility or rehabilitated facility owned or operated by a qualified start-up business from the neighborhood enterprise zone tax levied under the act if the local tax collecting unit adopts a resolution to exempt the facility from the collection of neighborhood enterprise zone tax. The bill would reduce State and local revenue by an indeterminate amount. The revenue loss would depend upon how many local units adopt resolutions under the bill, which local units adopt a resolution, and the properties affected.

Support: Small Business Association of Michigan, National Federation of Independent Business, Michigan Municipal League.

- **HB 5335 passed with IE [RC 289: 37 yes, 0 no].**

HB 5341 would allow a qualified start-up business to exempt real and personal property from the general property tax for 5 years beginning on the December 31 in the year in which a single business tax credit is claimed under the Single Business Tax. The total property tax impact, including the impact on local governments, is \$11.7 million beginning in 2007. On average, 48% of the cost of the tax exemption will be a school aid fund cost.

Support: Small Business Association of Michigan, National Federation of Independent Business, Michigan Municipal League.

Oppose: Michigan Department of Treasury, Michigan Assessors Association.

- **HB 5341 passed with IE [RC 290: 37 yes, 0 no].**

HB 5342 would exempt a facility owned or operated by a qualified start-up business from the specific tax levied under the act for 5 consecutive years beginning on the December 31 in the year in which a facility first claimed under the Single Business Tax Act or the Income Tax Act if the governing body of the local tax collecting unit adopts a resolution to exempt the facility from the collection of the specific tax. The exemption would not apply to special assessments or levies on bonds and school taxes.

Support: Small Business Association of Michigan, National Federation of Independent Business, Michigan Municipal League.

Oppose: Michigan Department of Treasury, Michigan Assessors Association.

- **HB 5342 passed with IE [RC 291: 37 yes, 0 no].**

HB 5343 would allow a qualified start-up business to exempt a rehabilitated facility from the obsolete properties tax for 5 consecutive years beginning on the December 31 in the year in which the qualified start-up business first claimed a single business tax credit or an income tax credit. The bill would require the governing body of the local tax collecting unit to adopt a resolution to exempt a rehabilitated facility from the collection of the obsolete property tax.

Support: Small Business Association of Michigan, National Federation of Independent Business, Michigan Municipal League.

Oppose: Michigan Department of Treasury, Michigan Assessors Association.

- **HB 5343 passed with IE [RC 292: 36 yes, 0 no].**

HB 5345 would allow a qualified start-up business to claim a city income tax credit each tax year equal to the taxpayer's tax liability attributable to the qualified start-up business for the 5 consecutive tax years beginning with the first tax year the qualified start-up business claims a credit under the Single Business Tax Act or the Income Tax Act. The tax credit could only be claimed if the city adopts a resolution to include the credit in its ordinance within 90 days after the effective date of the bill.

Support: Small Business Association of Michigan, National Federation of Independent Business, Michigan Municipal League.

Oppose: Michigan Department of Treasury, Michigan Assessors Association.

- **HB 5345 passed with IE [RC 293: 37 yes, 0 no].**

HB 5666 (Walker)

HB 5666 was introduced for the Kingsley schools. The roof of their high school collapsed and so they are currently holding classes at several different locations. The bill specifically allows an additional 20 hours of leeway for the district to meet the instructional time requirements in law. Without this language, the school district could be subject to state aid penalties

- **HB 5666 passed with IE [RC 297: 38 yes, 0 no].**

THIRD READING

SB 296 (Gilbert)

Senate Bill 296 would require a health insurance policy or certificate to provide for direct payment to any provider of covered medical transportation services (ambulance), or provide for joint payments to the insured and the (medical transportation) provider, if the provider had not received payment from any other source.

Support: MI Association of Ambulance Services.

Oppose: General Motors, Ford Motor Co., Detroit Chamber of Commerce, MI State AFL-CIO, UAW, Economic Alliance of MI, BCBSM, Daimler Chrysler, OFIS, MI Manufacturers Assn., Small Business Assn., MI Chamber of Commerce – SB 296 would unfairly shift the burden of loss from ambulance companies to individual patients and their families, who do not have the option of shopping for the best or the least expensive transportation during a medical emergency.

- **Committee 1 (S-3) was adopted [no RC].**
- **SB 296 was moved to 3rd Reading.**

SB 918 (Sanborn)

HB 5692 (Amos)

HB 5693 (Caul)

SB 918 would provide that it would be a crime to photograph or otherwise record a visual image of the undergarments worn by another person, genitalia or buttocks, or female breast of an individual under

circumstances in which the person would have a reasonable expectation of privacy and did not consent to the recording.

- Committee 1 (S-3) was adopted [no RC].
- SB 918 was moved to 3rd Reading.

HB 5692 would expand current prohibitions against installing devices in private places that photograph or record other individuals without their consent to include “placing” or “using” a device that “records” or “transmits” visual images of another person without their consent. Currently, it is illegal to install in any private place, without the consent of the person entitled to privacy, any device for observing, photographing, or eavesdropping upon the sounds or events in that place.

- Committee 1 (S-1) was adopted [no RC].
- HB 5692 was moved to 3rd Reading.

HB 5693 would amend sentencing guidelines to make the guidelines conform to provisions in HB 5692 and SB 918 regarding prohibitions against installing devices in private places that photograph or record other individuals without their consent.

- Committee 1 (S-1) was adopted [no RC].
- HB 5693 was moved to 3rd Reading.

RESOLUTIONS

HCR 55 (Shackleton)

HCR 55 approves the conveyance of property to the State Building Authority and approving a lease between the State of Michigan and the State Building Authority relative to the Department of State Police Michigan Public Safety Communications System Phase V.

- HCR 55 was adopted [RC 298: 37 yes, 0 no].